



STATE OF WASHINGTON

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June 11, 2004

TO: The Honorable Doug Sutherland
Department of Natural Resources

FROM: Marty Brown, Director *MB*

SUBJECT: ADDITIONAL INSTRUCTIONS FOR AGENCY BUDGET SUBMITTALS

The Priorities of Government (POG) Results Teams recently completed work on the high-level purchase strategies that they believe will best achieve statewide results. As part of this effort, Teams also made suggestions about specific analyses and initiatives that will help them in the fall when they reconvene to produce detailed purchase plans for implementation of proposed strategies. Because Results Teams will be reviewing agency budget requests for activities that can be included in these purchase plans, we are communicating their ideas to you as you prepare your budgets.

Although the state is not facing quite the same fiscal challenges that generated the initial Priorities of Government process in 2002, initial estimates for 2005-07 indicate a \$700 million shortfall between forecasted state General Fund (GFS) revenues and the cost of continuing current GFS-funded services. The POG budget approach helps us focus on core services that contribute the most toward statewide results. This, in turn, provides a framework for OFM decisions and budget recommendations to the Governor.

High-Level Strategies will Guide Budget Decisions

We strongly urge your consideration of the information contained in this memo as you develop your agency budget proposal.

1. You will find enclosed a list of the high-level indicators of success and the purchase strategies recommended for each statewide result. This information is the investment criteria that Results Teams will use to create their purchase recommendations. Review the indicators and strategies for all 11 results and focus on areas that you believe can be influenced with activities in your agency. For example, if your budget includes activities that affect indicators in Result #4 (Improve Health) because they contribute to the statewide strategy of "mitigating environmental hazards," then your budget should help make that connection for the Results Team.

A summary is provided in this memo, but we encourage you to read the full reports of the Teams, particularly those prepared for Tollgate #2, to understand the context in which these recommendations were made. The reports are available at <http://www.ofm.wa.gov/budget/pog/teamreports.htm>.

2. For some agencies, there are recommended initiatives or research projects listed at the end of this memo. This means one or more Results Teams indicated interest in these ideas and are asking for additional information before they complete their purchase plan recommendation in the fall.
3. The Teams also suggested criteria that agencies could use to assess the activities they propose for funding. As you determine your budget request, we recommend you address these questions in your deliberations:
 - Are there options for earlier, preventative interventions as alternatives to more expensive services later?
 - Are those options evidence-based or supported by research as to their effectiveness toward the intended result?
 - Are we paying the right price for the services delivered?
 - Are activities properly coordinated for maximum effect?
 - Do activities have explicit outcomes and measures of performance?
 - Are there opportunities for outcome-based contracts?

Additional Information Requested for the Budget Submittal

OFM has selected a number of the recommendations mentioned in the team reports to be completed as part of the budget development process. We ask that your agency submit the following information, either as part of your budget request, as an addendum to your budget submittal, or as a separate submittal on the date indicated.

1. Propose improved ways to administer land management and acquisition programs. Currently several state natural resource agencies acquire or manage land. There may be efficiencies or process improvements possible around:
 - Real Estate Transactions – e.g., appraisals, purchasing, etc.
 - Land management Activities – e.g., expanding working circle agreements to reduce travel time; developing work crews for specific activities such as weed control or fencing on both recreation and habitat sites.

The Department of Fish and Wildlife should take the lead in developing the proposal, with assistance from the Department of Natural Resources and the State Parks and Recreation Commission.

2. The Department of Natural Resources and the State Parks and Recreation Commission, convened by the Interagency Committee for Outdoor Recreation, should develop a timeline, project outline, site-selection process with criteria, and budget request to implement the research and design phase of a pilot program to co-manage DNR recreation sites with high visitation rates, and that have high potential for co-management, fee-based recreation, and revenue generation. The Department of Fish and Wildlife should be included in the initial planning stages to determine whether similar co-management opportunities exist on its lands.
3. The Department of Natural Resources, in consultation with the State Parks and Recreation Commission and the Department of Fish and Wildlife, should propose opportunities for consolidated volume purchasing and contracting between agencies. For example, if all three agencies buy picnic tables, volume purchasing, or purchasing from Correctional Industries, could lower the price. In the service arena, consolidating operations across agencies or within a geographic location can often reduce unit

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costs and improve service. Examples include motor pool and heavy equipment, printing, and maintenance shops.

4. Statutory restrictions on the Off-Road Vehicle (ORV) and Non-Highway and Off-Road Vehicle Account (NOVA) prevent their use for maintaining certain DNR recreation sites. IAC and DNR should re-examine these restrictions to determine if they are still valid, given the current uses of those sites, and, if appropriate, develop proposed legislation.
5. The Interagency Committee for Outdoor Recreation, in coordination with the Department of Ecology, the Department of Fish and Wildlife, the Department of Natural Resources and the Conservation Commission, should develop a proposal to better coordinate and achieve efficiencies in monitoring data collection, systems and public access to this data.
6. Provide information by activity, including FTEs and funding, on your agency's current capabilities and potential needs to support and provide necessary information to local governments for Shoreline Management and Growth Management Act updates.
7. Describe what type of investments you are making in ecosystem restoration on state trust and aquatic lands while continuing to generate trust revenues.
8. Working with the Department of Ecology, develop a long-term funding strategy and a potential budget request for the clean up of state-owned aquatic lands.
9. The Puget Sound Action Team, in cooperation with other Natural Resource agencies, should develop options, and a potential budget proposal, on how to coordinate messages related to natural resource protection and to improve ways of getting data and information out to the public, local communities and the public. Please consult with the Department of Ecology, Department of Fish and Wildlife, the Conservation Commission, the Department of Natural Resources and the State Parks and Recreation Commission.
10. Complete an analysis of the forest practices permit program which describes staffing levels and permit history over the last six years; describes agencies past and current capabilities to monitor permit conditions and identifies efficiencies undertaken by the agency and future efficiencies which could be taken to stream line and reduce permitting costs.

If you have questions about any of these recommendations, please consult your assigned OFM Budget Analyst, who will then coordinate assistance with the appropriate Results Team.

Finally, I want to thank all of you for your energy and dedication as we head into another round of POG. Your efforts are critical to its success, and I know from experience that I can count on you.

Attachment

cc: Agency Budget Director